

AMENDED IN SENATE MAY 28, 2009

AMENDED IN SENATE APRIL 29, 2009

AMENDED IN SENATE APRIL 14, 2009

## **SENATE BILL**

**No. 516**

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**Introduced by Senator DeSaulnier**  
(Coauthor: Assembly Member Torlakson)

February 26, 2009

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An act to add and repeal Article 4.5 (commencing with Section 18736) of Chapter 3 of Part 10.2 of the Revenue and Taxation Code, and to add Chapter 4 (commencing with Section 2200) to Division 2.5 of the Welfare and Institutions Code, relating to the California Youth Legislature.

### LEGISLATIVE COUNSEL'S DIGEST

SB 516, as amended, DeSaulnier. California Youth Legislature.

Existing law establishes the California Senior Legislature to provide model legislation for older citizens and advocate for the needs of seniors. This law establishes in the State Treasury the California Fund for Senior Citizens to receive contributions from tax return designations to support the sessions of the California Senior Legislature. Existing law authorizes individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds or accounts.

This bill would establish the California Youth Legislature, composed of students ages 14 to 18 years, inclusive, and, subject to specified considerations, appointed by Members of the Legislature, to provide model legislation and advocate for the needs of youth. The California Youth Legislature would be charged with examining and discussing policy and fiscal issues affecting the interests, needs, and conditions of

the youth of California and to formally advise and make recommendations to the Legislature and the Governor on specific issues affecting youth. The bill would authorize the California Youth Legislature to enter into an interagency agreement with a state entity to carry out necessary administrative functions. *If the state entity determines there are insufficient funds to cover all costs, the activities of the California Youth Legislature would cease.* The bill would create in the State Treasury the California Fund for Youth to receive contributions from tax return designations to support the sessions of the California Youth Legislature. This bill would provide for the repeal of this contribution provision for this fund on January 1 of the 5th taxable year following the first appearance of the California Fund for Youth on the tax return or on January 1 of an earlier calendar year, if the Franchise Tax Board estimates that the annual contribution amount will be less than \$250,000, or an adjusted amount, as specified, for subsequent taxable years. The bill also would authorize the California Youth Legislature to accept gifts and grants from any source to help perform its functions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 4.5 (commencing with Section 18736) is  
2 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and  
3 Taxation Code, to read:

4  
5 Article 4.5. California Fund for Youth  
6

7 18736. (a) Any individual may designate on the tax return that  
8 a contribution in excess of the tax liability, if any, be made to the  
9 California Fund for Youth, which is established by Section 18737.

10 (b) The contributions shall be in full dollar amounts and may  
11 be made individually by each signatory on a joint return.

12 (c) A designation under subdivision (a) shall be made for any  
13 taxable year on the original return for that taxable year, and once  
14 made shall be irrevocable. In the event that payment and credits  
15 reported on the return, together with any other credits associated  
16 with the individual's account, do not exceed the individual's tax

1 liability, the return shall be treated as though no designation has  
2 been made.

3 (d) If an individual designates a contribution to more than one  
4 account or fund listed on the tax return, and the amount available  
5 is insufficient to satisfy the total amount designated, the  
6 contribution shall be allocated among the designees on a pro rata  
7 basis.

8 (e) The Franchise Tax Board shall revise the form of the return  
9 to include a space labeled “California Fund for Youth” to allow  
10 for the designation permitted under subdivision (a). The form shall  
11 also include in the instructions information that the contribution  
12 may be in the amount of one dollar (\$1) or more and that the  
13 contribution shall be used to conduct the sessions of the California  
14 Youth Legislature and to support its ongoing activities on behalf  
15 of youth.

16 (f) Notwithstanding any other provision, a voluntary contribution  
17 designation for the California Fund for Youth shall not be added  
18 on the tax return until another voluntary contribution designation  
19 is removed.

20 (g) A deduction shall be allowed under Article 6 (commencing  
21 with Section 17201) of Chapter 3 of Part 10 for any contribution  
22 made pursuant to subdivision (a).

23 18737. There is hereby established in the State Treasury the  
24 California Fund for Youth to receive contributions made pursuant  
25 to Section 18736. The Franchise Tax Board shall notify the  
26 Controller of both the amount of money paid by taxpayers in excess  
27 of their tax liability and the amount of refund money that taxpayers  
28 have designated pursuant to Section 18736 to be transferred to the  
29 California Fund for Youth. The Controller shall transfer from the  
30 Personal Income Tax Fund to the California Fund for Youth an  
31 amount not in excess of the sum of the amounts designated by  
32 individuals pursuant to Section 18736 for payment into that fund.

33 18738. All moneys transferred to the California Fund for Youth  
34 pursuant to Section 18736, upon appropriation by the Legislature,  
35 shall be allocated as follows:

36 (a) To the Franchise Tax Board and the Controller for  
37 reimbursement of all costs incurred by the Franchise Tax Board  
38 and the Controller in connection with their duties under this article.

39 (b) The balance to the California Youth Legislature, for its  
40 ongoing activities on behalf of youth.

(c) All moneys allocated pursuant to subdivision (b) of this section may be carried over from the year in which they were received.

(d) The funds allocated to the California Youth Legislature for the purpose of funding the activities of the California Youth Legislature shall be spent pursuant to the purview of the Joint Rules Committee of the California Youth Legislature in a manner consistent with the bylaws of the California Youth Legislature, established through a majority vote of the California Youth Legislature.

18739. (a) This article shall remain in effect only until January 1 of the fifth taxable year following the first appearance of the California Fund for Youth on the tax return, and as of that date is repealed.

(b) (1) By September 1 of the second calendar year, and by September 1 of each subsequent calendar year that the California Fund for Youth appears on a tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the California Youth Legislature of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000) for the second calendar year after the first

1 appearance of the California Fund for Youth on the personal  
2 income tax return or the adjusted minimum contribution amount  
3 adjusted pursuant to subdivision (c).

4 (c) For each calendar year, beginning with the third calendar  
5 year that the California Fund for Youth appears on the tax return,  
6 the Franchise Tax Board shall adjust, on or before September 1 of  
7 that calendar year, the minimum estimated contribution amount  
8 specified in subdivision (b) as follows:

9 (1) The minimum estimated contribution amount for the calendar  
10 year shall be an amount equal to the product of the minimum  
11 contribution amount for the prior September 1 multiplied by the  
12 inflation factor adjustment as specified in paragraph (2) of  
13 subdivision (h) of Section 17041, rounded off to the nearest dollar.

14 (2) The inflation factor adjustment used for the calendar year  
15 shall be based on the figures for the percentage change in the  
16 California Consumer Price Index received on or before August 1  
17 of the calendar year pursuant to paragraph (1) of subdivision (h)  
18 of Section 17041.

19 (d) Notwithstanding the repeal of this article, any contribution  
20 amounts designated pursuant to this article prior to its repeal shall  
21 continue to be transferred and disbursed in accordance with this  
22 article as in effect immediately prior to that repeal.

23 SEC. 2. Chapter 4 (commencing with Section 2200) is added  
24 to Division 2.5 of the Welfare and Institutions Code, to read:

25  
26 CHAPTER 4. CALIFORNIA YOUTH LEGISLATURE  
27

28 2200. (a) The Legislature finds and declares that the needs of  
29 *California's* youth can best be assessed by *California's* youth.

30 (b) The Legislature recognizes that all young people need five  
31 key developmental resources in order to become productive  
32 citizens: caring adults, safe places, a healthy start, an effective  
33 education, and opportunities to help others. The Legislature further  
34 recognizes that young people who receive more of these  
35 developmental resources fare better than young people who receive  
36 fewer, and that those young people are more likely to avoid  
37 violence, contribute to their communities, and achieve high grades  
38 in school. The Legislature further recognizes the significant number  
39 of *California's* youth who live disadvantaged lives. Youth who  
40 are homeless, in the juvenile justice system, or in foster care have

1 limited opportunities to participate in the policies process that  
2 ultimately impacts their well-being.

3 (c) The Legislature is alarmed that hundreds of thousands of  
4 California youth are among the two-thirds of America's children  
5 and youth recently identified by the America's Promise Alliance  
6 as not receiving sufficient developmental resources to safely put  
7 them on the path to adulthood. The Legislature also is concerned  
8 that the high school completion rate is less than 60 percent for  
9 low-income students and students of color in California, that gang  
10 and youth violence continue to be a concern and that after years  
11 of declining numbers, teen pregnancy rates are also on the rise.  
12 The Legislature is encouraged, however, by research indicating  
13 that providing more of the five developmental resources for more  
14 young people can help prevent many of these problems, and that  
15 millions of dollars in later prison, health, and welfare costs can be  
16 avoided by providing more developmental resources for more  
17 young people now.

18 (d) The Legislature also agrees with the America's Promise  
19 Alliance's call for greater collaboration and integration in working  
20 to turn failure into action and improve the lives of young people  
21 at risk and with the actions of the more than 20 states that have  
22 committed their state resources for the creation of statewide entities  
23 charged with improving the developmental well-being of their  
24 children and youth.

25 (e) The California Youth Legislature shall be established through  
26 this chapter and shall operate according to the procedures set forth  
27 in this chapter to provide model legislation and advocate for the  
28 needs of youth.

29 2201. (a) The California Youth Legislature shall be composed  
30 of two houses, the California Youth Senate, composed of 40  
31 members, and the California Youth Assembly, composed of 80  
32 members.

33 (b) Members of the California Youth Legislature shall serve  
34 two-year terms.

35 (c) Members of the California Youth Legislature shall be ages  
36 14 to 18, inclusive, and currently enrolled in a California junior  
37 high, middle, or high school, or participating in a nonpublic,  
38 home-based educational program or a general equivalency degree  
39 program.

1     2202. (a) The members of the California Youth Legislature  
2 shall be appointed by the Legislature, with one member appointed  
3 by each Member of the Senate and each Member of the Assembly.

4     (b) Members of the Senate and Members of the Assembly, in  
5 making their appointments, shall take into consideration that the  
6 members of the California Youth Legislature represent the racial,  
7 ethnic, socioeconomic, cultural, physical, and educational diversity  
8 of California. Particular emphasis should be placed on reaching  
9 out to at-risk or disadvantaged youth to serve as members of the  
10 California Youth Legislature, as their participation will provide  
11 keen insight to many of the issues that youth face in their  
12 day-to-day lives.

13     2203. (a) The California Youth Legislature shall have the  
14 authority to define its program and utilize its funds in any way  
15 necessary to carry out the duties of this chapter, as long as the  
16 program or activity is not in violation of a state law or regulation.

17     (b) The California Youth Legislature shall do all of the  
18 following:

19     (1) Examine and discuss policy and fiscal issues affecting the  
20 interests, needs, and conditions of the youth of California.

21     (2) Formally advise and make recommendations to the  
22 Legislature and the Governor on specific issues affecting youth,  
23 including, but not limited to, all of the following:

24     (A) Education.

25     (B) Employment.

26     (C) Access to state and local government services.

27     (D) The environment.

28     (E) Behavioral and physical health.

29     (F) Safety.

30     (G) Technology.

31     (H) Criminal justice.

32     (I) Homelessness.

33     (J) Foster care.

34     (K) Child welfare.

35     (L) Emancipation.

36     (M) Financial literacy.

37     (N) Substance abuse.

38     (O) Driver's license requirements.

39     (P) Poverty.

40     (Q) Increased youth participation in state and local government.

1 (R) Any other policy or fiscal issues deemed appropriate by the  
2 Youth Legislature.

3 (3) Consult with any existing local level youth advisory  
4 commissions and community-based, grassroots youth-led  
5 organizations for input and potential solutions on issues related to  
6 youth.

7 (c) The Youth Legislature shall act as an information center on  
8 California youth policy and fiscal issues, including, but not limited  
9 to, the issues listed in subdivision (b).

10 2204. (a) The California Youth Legislature shall enter into a  
11 mutually agreed-upon interagency agreement with a state entity  
12 to carry out administrative duties related to its program. *The*  
13 *interagency agreement shall provide for reimbursement to the*  
14 *agency for its administrative costs from funds available to the*  
15 *California Youth Legislature.*

16 (b) The California Youth Legislature shall identify the state  
17 entity for purposes of subdivision (a) ~~by May 1, 2010, in order to~~  
18 ~~meet the budget proposal cycle to achieve a transition of~~  
19 ~~responsibilities in the 2011-12 fiscal year within six months of~~  
20 ~~receipt of funds.~~

21 (c) *The state entity shall determine when there are sufficient*  
22 *funds to support the program. If the state entity determines there*  
23 *are insufficient funds to cover all costs, the activities of the*  
24 *California Youth Legislature shall cease.*

25 (d) *State funds shall not be used to support the California Youth*  
26 *Legislature except as provided in Article 4.5 (commencing with*  
27 *Section 18736) of Chapter 3 of Part 10.2 of Division 2 of the*  
28 *Revenue and Taxation Code.*

29 (e)

30 (e) This section does not preclude the California Youth  
31 Legislature from entering into mutually agreed-upon interagency  
32 agreements for any subsequent fiscal year.

33 2205. (a) The funds for the California Youth Legislature shall  
34 be allocated from the California Fund for Youth or private funds  
35 directed to the Legislature for the purpose of funding activities of  
36 the California Youth Legislature.



1     (b) The California Youth Legislature may accept gifts and grants  
2     from any source, public or private, to help perform its functions,  
3     pursuant to Section 2203.

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